



City of Buellton Planning Department

OCT - 5 2005

DIV. OF HOUSING
POLICY DEVELOPMENT HCD

RECEIVED

SEP 30 2005

HCD
MULTIFAMILY HOUSING
SECTION

September 26, 2005

State of California
Department of Housing and Community Development
1800 Third Street
P.O. Box 952050
Sacramento, CA 94252-2050

SUBJECT: CITY OF BUELLTON
General Plan Annual Report

Attached for your review and files is Buellton's General Plan Annual Report. The reporting period is October 1, 2004, to September 30, 2005.

Should any questions arise during the course of your review, please contact me at (805) 688-7474.

Sincerely,

CITY OF BUELLTON

Marc P. Bierdzinski, AICP
Planning Director

Encl: General Plan Annual Report

cc: City Council (w/ enclosure)
Steve Thompson (w/ enclosure)
Office of Planning and Research (w/ enclosure)

**WFH Annual Progress Report
on Implementation of the Housing Element**
General Plan Report requirement pursuant to
Section 65400 of the Government Code

Jurisdiction: City of Buellton

Address: 140 W. Highway 246
Buellton, CA 93427

Contact: Marc P. Bierdzinski **Title:** Planning Director

Phone: (805) 688-7474

RECEIVED
OCT - 2 2005
DIV. OF HOUSING
POLICY DEVELOPMENT HCD

Report Period: October 1, 2004 To: September 30, 2005

The following information should be included in the report:

A. Progress in meeting Regional Housing Need

1. Total number of new housing permits issued
2. Describe the affordability, by income level, of new units including the number of deed restricted affordable housing unit.
3. Compare units added to regional housing need allocation by income category (very low, lower, moderate, and above moderate)

See attached "City of Buellton - Annual Report on Status of General Plan and Programs in Support of Affordable Housing"

B. The effectiveness of the housing element in attainment of the community's housing goals and objectives

1. Include a program-by-program status report relative to implementation schedule from each program in the housing element; describe actions taken to implement each program
2. Assess effectiveness of actions and outcomes

See attached "City of Buellton - Annual Report on Status of General Plan and Programs in Support of Affordable Housing"

C. Progress toward mitigating governmental constraints identified in the housing element.

See attached "City of Buellton - Annual Report on Status of General Plan and Programs in Support of Affordable Housing"

CITY OF BUELLTON

Annual Report on Status of the General Plan and Programs in Support of Affordable Housing

BACKGROUND

By law, every community in California is required to adopt a General Plan as the policy framework by which to guide future growth and development. At a minimum, each such Plan must contain seven mandatory elements (Land Use, Circulation, Housing, Conservation, Open-Space, Noise and Safety). Once adopted, zoning and development regulations that follow must be consistent with the policies of the General Plan.

Section 65400(b) of the California Government Code requires that an annual report be furnished to the City Council regarding the status of General Plan implementation. Annual reports are due on October 1st of each year and must be submitted to the State Office of Planning and Research ("OPR") and Department of Housing and Community Development ("HCD") in addition to each local legislative body.

For Buellton, the annual report is also used as barometer in evaluating progress in meeting the City's fair share of regional housing needs. Specifically, Program 21.a. of the Housing Element requires that the City assess housing performance in connection with the annual report requirement and undertake program adjustments as necessary and appropriate changes in the AHOZ and CR Variable Limit (Programs 2 and 3).

ANALYSIS

General Plan Overview: Earlier this year, the City embarked on a comprehensive update of its General Plan. The Plan has not been updated since its initial adoption in 1993 at the time of City incorporation well over 10 years ago. The scope of General Plan update is driven by a comprehensive Baseline Report that was prepared and released for public review late last year. The Baseline Report itemizes goals and programs contained in the 1993 General Plan, provides a detailed assessment of actual accomplishments and sets a course for overhauling relevant Elements of the Plan.¹

The impetus for updating the General Plan arises from a newly adopted Housing Element that was certified by HCD in June 2004. To comply with scheduling parameters set forth in the Housing Element, the General Plan Update is designed as a two-step process beginning first with the Land Use and Circulation Elements, followed with the balance of Elements later this year. Formal hearings on revamped Land Use and Circulation Elements commenced in June of this year were adopted on September 22, 2005. A fully overhauled General Plan with all mandatory Elements, complying with the State Guidelines set forth in Section 65040.2, is expected by early 2006.

¹ The Baseline Report as well as all other Housing Element and General Plan Update documents are available for review by contacting the Planning Department, (805) 688-7474.

Housing Element Overview: The Regional Housing Needs Allocation (“RHNA”) process is part of a statewide mandate to address housing related to future growth in the State. The needs assessment process sets numeric targets with the overriding goal of assuring an equitable geographic distribution of needs and responsibilities. The number assigned to the City of Buellton for 2001-2008 is 536, of which roughly 58% is assigned to target income groups. Table 1 reflects the current adjusted requirement, taking into account construction that has occurred since the beginning of the current Housing Element planning cycle.

TABLE 1: RHNA GOALS AND AFFORDABLE HOUSING PRODUCTION				
	Unadjusted Goal	2001-2003 New Construction	2003-2005 New Construction	Adjusted Goal
Very Low	129	-7	0	136
Low	91	-7	0	98
Moderate	88	0	29	59
Above Moderate	228	113	161	0
Total	536	99	190	293
DEFINITIONS:				
Very Low Income: Households with incomes between 0% and 50% of the areawide median.				
Low Income: Households with incomes between 50% and 80% of the areawide median.				
Moderate Income: Households with incomes between 80% and 120% of the areawide median.				
NOTES:				
1. 2001-2003 New Construction figures are derived from the Updated Housing Element, June 10, 2004, Tables 44 and 45.				
2. 2003-2005 New Construction figures are derived from building permit records for the period between January 1, 2004 through September 15, 2005. See Exhibit “C” attached hereto.				

The updated Housing Element relies upon four basic means by which to address the City’s RHNA goals: Second Dwellings, Multifamily Infill, Mixed Use Development and establishment of an Affordable Housing Overlay Zone (“AHOZ”). Of these, the establishment of an AHOZ is viewed as the principal means for accommodating the City’s RHNA goals. A detailed description of these programs, as well as those programs which affirmatively further other affordable and fair housing objectives, accompany this report as Exhibit “A.”

Housing Performance Assessment: As adopted policy, the AHOZ shall: (i) allow “stand alone” residential projects irrespective of the underlying zone designation with a minimum base density of 25 units/acre; (ii) grant a 2:1 density bonus (two market rate units above the base density for each affordable low and very low income unit) up to a maximum combined density of 50% above the base; (iii) impose an inclusionary requirement, mandating that at least 20% of the base density be affordable to very low, low and moderate income households; (iv) compute the distribution of inclusionary units based on the apportionment of net RHNA goals (a defined and determined below); and (v) institute a bifurcated land use entitlement process that allows for streamlined processing for projects that meet specified criteria.

Ordinance No. 05-05, which proposes to establish an AHOZ and the sites to which the AHOZ will initially apply, was first introduced for City Council consideration on August

11, 2005. A formal "first reading" of the Ordinance was conducted on September 22, 2005, with adoption scheduled for October 13, 2005. This timeframe is consistent with the year-end deadline established by HCD in their certification of the updated Housing Element. Once adopted, the City will begin to actively market the AHOZ sites for affordable housing development. A general accounting of progress made in implementing all Housing Element programs is set forth in Exhibit "B."

Annual Programmatic Calibrations: Insofar as Ordinance No. 05-05 has not yet been adopted, evaluation of Housing Element program effectiveness is premature. Likewise, adjustments in AHOZ and CR Variable Limits (Programs 2 and 3) of the Housing Element would be untimely at this particular juncture. Rather, such matters will be determined in connection with the annual HCD report required for October 1, 2006. In compliance with State HCD reporting requirements, a general accounting of permits issued and construction completed during the current Housing Element cycle is set forth in Exhibit "C."

In regard to removal of constraints that impede the production of affordable housing, several major initiatives will immediately follow adoption of Ordinance No. 05-05. Most noteworthy is the establishment of a streamlined permit process concurrent with the establishment of an AHOZ. A companion action will be the adoption of a standard set of project conditions that will expedite project approvals. In addition, processing under the California Environmental Quality Act ("CEQA") will be simplified and become less costly by using the General Plan Update Environmental Impact Report as the basis for "tiering" future AHOZ projects.

EXHIBIT "A"

HOUSING ELEMENT IMPLEMENTING ACTIONS

Zoning Ordinance, Affordable Housing Ordinance and Redevelopment Plan Amendments

1. **Affordable Housing Overlay Zone (Housing Element Programs 1 and 2).** Amend the current Zoning Ordinance to: (i) establish an Affordable Housing Overlay Zone ("AHOZ"); (ii) designate Key Development Sites that will initially receive an AHOZ; (iii) institute a variable limit that corresponds to the minimum number of dwellings required to achieve the City's Net RHNA Goals, adjusted annually in connection with annual Housing Element reviews; and (iv) structure an approval process that increases the level of discretionary review according to the intensity and location of proposed development.
2. **Mixed Use Development (Program 3).** Amend the current Zoning Ordinance to: (i) replace the current 100-unit limit for mixed-use projects in the General Commercial CR Zone with a new variable limit, linked City's Net RHNA Goals and adjusted annually in connection with annual Housing Element reviews; (ii) modify current height restrictions, allowing an increase in building heights from 35 to 45 feet on a case-by-case basis considering the variable topographic conditions along Avenue of Flags; (iii) revamp the City's current off-street parking requirements, allowing credit for on-street and shared parking for mixed-use projects; and (iv) revise the current definition of density, granting a preference for units of less than three bedrooms.
3. **Secondary Unit and Multifamily Infill (Program 4).** Amend the current Zoning Ordinance to: (i) reduce minimum lot size requirements for secondary dwellings from 7,000 square feet to 6,500 square feet; (ii) allow infill multifamily dwellings by simple Zoning Clearance; (iii) exempt secondary dwellings from inclusionary housing requirements; (iv) provide a 2:1 density bonus for infill multifamily units up to a maximum increase of 50% above the base density; and (v) allow a reduction in development standards for infill multifamily units by discretionary review as an additional density bonus incentive under the City's current Affordable Housing Ordinance ("AHO").
4. **Development Capacity Preservation (Program 5).** Amend the current Affordable Housing Ordinance to discourage the reduction of residential development capacity or otherwise compensate for diminished potential by: (i) allowing rezoning (from residential to non-residential) and down zoning (reduction in densities) subject to payment of in-lieu fees to the Housing Trust Fund; and (ii) basing the computation of in-lieu fees on an inclusionary requirement of 15%, utilizing the same formulas that are already stipulated in the AHO.
5. **Inclusionary Housing (Programs 6 and 7).** Amend the current Affordable Housing Ordinance to: (i) broaden the existing 15% inclusionary requirement to encompass all property regardless of zoning; (ii) provide a 2:1 density bonus for each affordable low

and very low income unit produced; (iii) update State density bonus provisions to reflect recent statutory changes for moderate income condominiums and provision of child care facilities; (iv) compute the distribution of inclusionary units based on the apportionment of net RHNA goals; (iv) allow inclusionary units to offset replacement housing requirements on a 2:1 basis; and (v) exempt secondary dwellings from inclusionary requirements in exchange for agreement by property owners to affirmatively market secondary units to income qualifying tenants under the Section 8 HAPP.

6. **Land Use Modifications (Program 10).** Amend the current Zoning Ordinance to: (i) include and clarify shared living arrangements as allowed residential uses; (ii) prohibit discrimination on the basis of familial status, disability or other population segment stipulated in Fair Housing statutes; (iii) expressly allow emergency shelters, transitional housing, single room occupancy units, farmworker housing and congregate care facilities as allowed uses in all zone districts subject to Conditional Use Permit; (iv) clarify that the development standards for projects requiring a Conditional Use Permit shall be those development standards of the underlying zone district where the project is located; and (v) implement the provisions of Health & Safety Code Sections 17021.5 and 17021.6 regarding agricultural employee housing.
7. **Special Population and Housing Needs (Programs 12 and 13).** Amend the current Zoning Ordinance and Affordable Housing Ordinance to: (i) exempt special needs housing from inclusionary requirements; (ii) incorporate Fair Employment and Housing Act provisions into each Affordable Housing Agreement governed by the AHO; (iii) give priority to disabled persons (second only to displaced persons) in occupying affordable units governed by the AHO; (iv) institute a new abbreviated variance procedure, expressly designed to accommodate adaptive retrofit requests; and (v) seek grant funds and establish an adaptive retrofit program to underwrite the expense of modifying dwellings to accommodate the needs of persons with disabilities.
8. **Code Enforcement (Program 15).** Amend the current Affordable Housing Ordinance to: (i) institute tenant notice and relocation payments consistent with all of the provisions and requirements of Health & Safety Code sections 50651 through 50659.3; (ii) institute special procedures in regard to abatement of substandard housing conditions; (iii) clarify the definition of hotel and motel uses with respect to duration of occupancy, allow for a reasonable number of long-term visitor stays, provide for a reasonable amortization of existing non-conforming use and make allowances for relocation payments in the event of tenant displacement.
9. **Affirmative Marketing (Programs 8, 20, 21 and 22).** Amend the current Buellton Improvement Project Redevelopment Plan, 5-Year Implementation Plan and Affordable Housing Ordinance to: (i) increase the amount of tax increment "housing set aside" expressly reserved for affordable housing from 20% to 25%; (ii) require proportional expenditure of housing funds relative to Net RHNA goals; (iii) incorporate Affirmative Fair Housing Marketing requirements into all Affordable Housing Agreements; (iv) fully integrate and incorporate of the affordable housing policies and programs set forth in the Housing Element; and (v) impose two-year noticing as part of the Affordable Housing Agreements executed and recorded in connection with covered units.

EXHIBIT "B"

HOUSING ELEMENT PROGRAM PERFORMANCE (2004-2005)

Housing Program			Five-Year Objective	Implementation Time Frame	Status of Implementation
ADEQUATE HOUSING SITES	1	General Plan Update	Amended General Plan Land Use Element & Zoning Ordinance	May 7, 2005	Update Process is Underway. Adoption of Land Use and Circulation Elements are Expected by October 31, 2005, and All Remaining Elements by March 2006.
	2	Affordable Housing Overlay Zone	Amended General Plan Land Use Element & Zoning Ordinance	2004-05	Amendment Process is Underway. Adoption is Expected by October 31, 2005.
	3	Mixed Use Development.	Amended General Plan Land Use Element & Zoning Ordinance	2004-05	Amendment Process will Commence Immediately Following Adoption of New Land Use Element. Expected Adoption date is December 31, 2005.
	4	Secondary Unit & Multifamily Infill	Amended Zoning Ordinance	2004-05	Amendment Process will Commence Immediately Following Adoption of New Land Use Element. Expected Adoption date is December 31, 2005.
	5	Development Capacity Preservation.	Amended Zoning Ordinance	2004-05 for Urgency Ordinance and AHO Amendment; Ongoing for Public Land Disposition	Interim Ordinance Regarding AHOZ Sites was Adopted in April 2005. Additional Revisions to AHO Ordinance will Commence Immediately Following Adoption of New Land Use Element. Expected Adoption date is December 31, 2005.
AFFORDABLE HOUSING SUPPLY	6	Inclusionary Housing	Amended Zoning Ordinance	2004-05	Amendment Process will Commence Immediately Following Adoption of New Land Use Element. Expected Adoption date is December 31, 2005.
	7	Secondary Dwelling & Infill Inducements	Amended Zoning Ordinance & Financial Assistance Programs	2004-05 for AHO Amendment; 2005-06 for Establishment of Financing & Subsidy Programs	Amendment Process will Commence Immediately Following Adoption of New Land Use Element. Expected Adoption date is December 31, 2005. for Establishment of Financing & Subsidy Programs will Follow in 2005-2006.

	Housing Program	Five-Year Objective	Implementation Time Frame	Status of Implementation
AFFORDABLE HOUSING SUPPLY	8 Housing Trust Fund	Capitalization of Housing Trust Funds	2004-05 for AHO, Redevelopment Plan and 5-Year Implementation Plan Amendment; 2005 for Fee Studies; Ongoing for Grant Applications & Non-Profit Collaboration	Redevelopment Plan and 5-Year Implementation Plan Amendments were Adopted in March and June, 2005, Respectively. Balance of Activities will Commence Following Adoption of New Land Use Element
	9 Public-Private Partnerships	Affordable Housing Projects	Ongoing	City Continues to Confer with Developers and Non-Profit Housing Sponsors on Affordable Housing Opportunities.
HOUSING IMPEDIMENTS	10 Land Use Modifications	Amended Zoning Ordinance	2004-05	Amendment Process will Commence Following Adoption of New Land Use Element. Expected Adoption date is December 31, 2005.
	11 Development Constraints	Amended Zoning Ordinance & Modified Development Fees	2005-06	Adoption of Standard Conditions of Approval and Abbreviated CEQA Evaluation Procedures will Proceed Immediately Following Adoption of New Land Use Element. Expected Adoption date is October 31, 2005.
	12 Special Needs Housing	Amended Zoning Ordinance	2004-05 for AHO Amendment; Ongoing for Supporting Services	Amendment Process will Commence Immediately Following Adoption of New Land Use Element. Expected Adoption date is December 31, 2005.
	13 Persons with Disabilities	Amended Zoning Ordinance & Adaptive Retrofit Program	2005	Amendment Process will Commence Following Adoption of New Land Use Element. Expected Adoption date is December 31, 2005.

Housing Program			Five-Year Objective	Implementation Time Frame	Status of Implementation
CONSERVATION & REHABILITATION	14	Property Rehabilitation	Amended Zoning Ordinance, Emergency Repairs & Property Rehabilitation	Ongoing for Emergency Mobile Home Repair Program; 2005-06 for Program Expansion	City Appropriated Funds for Continuation of Mobile Home Repair Program as Part of FY2005-06 Budget.
	15	Code Enforcement	Amended Zoning Ordinance & Residential Motel Amnesty Program	2004-05	Study will Commence Immediately Following Adoption of New Land Use Element.
	16	Affordable Covenants and Interim Assistance	Development Agreements & Financial Assistance	2004-05	Outreach will Commence Immediately Following Adoption of New Land Use Element.
	17	Energy Conservation	Increased Energy Awareness	Ongoing	Articles on Energy Awareness will be Periodically Published in City's Newsletter Starting in 2006.
EQUAL HOUSING OPPORTUNITIES	18	Fair Housing Services	Local Access to Fair Housing Services	2005	Discussions with County on Program Development and Joint Funding will Commence Immediately Following Adoption of New Land Use Element.
	19	Information & Referral	Distribution of Information Regarding Equal Access to Housing	2004 for Fair Housing Seminar; 2005 for Mailing & Website; Ongoing for Information Dissemination & Interagency Cooperation	Outreach and Referral is Ongoing. City Co-Sponsored and Participated in Fair Housing Seminar in October 2004.
	20	Affirmative Marketing	Amended Zoning Ordinance	2004	Amendment Process will Commence Immediately Following Adoption of New Land Use Element. Expected Adoption date is December 31, 2005.
	21	Public Participation & Monitoring	Integrative Policy Development & Performance Review	2004-05 For Redevelopment Plan Amendments; Ongoing for Noticing & Annual Reports	Redevelopment Plan and 5-Year Implementation Plan Amendments were Adopted in March and June, 2005, Respectively. Noticing and Annual HCD Reports are Ongoing.
PRESERVATION OF AT RISK UNITS	22	Affordable Housing Monitoring	Amended Zoning Ordinance & Annually Updated "At Risk" Units List	2004-05 for AHO Amendment & Notification to Central Gardens I; Ongoing for Annual Year-End Reports	Amendment Process will Commence Immediately Following Adoption of New Land Use Element. Expected Adoption date is December 31, 2005. Noticing and Annual HCD Reports are Ongoing.

EXHIBIT "C"

HOUSING PRODUCTION (2001-2005)

Residential Projects (Fully Entitled; Permitted & Under Construction)	No. of Residential Units			
	1/1/01 thru 6/10/04	6/11/04 thru 12/31/04	1/1/05 thru 9/15/05	Total
Golden Meadows				
Permits Issued		20 <1>		20 <1>
Construction Completed		0		0
Burgundy Hills				
Permits Issued	28			28
Construction Completed	28			28
Sycamore Ranch				
Permits Issued	164 (22)			164 (22)
Construction Completed	164 (22)			164 (22)
Meadow Ridge				
Permits Issued	8			8
Construction Completed	8			8
Oak Creek Estates				
Permits Issued	57			57
Construction Completed	57			57
Homes at Ballard Canyon				
Permits Issued	42			42
Construction Completed	42			42
Miscellaneous				
Permits Issued	5 (2) [3]	1 (1)	1 (1)	7 (4) [3]
Construction Completed	4 (2) [2]	1 (1)	0	5 (3) [2]
Total				
Permits Issued	304 (26) [3]	21 (1)	1 (1)	326 (28) [3]
Construction Completed	302 (26) [2]	1 (1)	0	303 (27) [2]
Residential Projects (Partially Entitled; Not Yet Permitted)	No. of Residential Units			
	Very Low Income	Low Income	Moderate Income	Above Moderate
Oak Springs Specific Plan	9	9	4	48
Buellton Community Homes	3	4	0	36
Vintage Walk	3	2	2	10
Country Crossroads	0	0	[17]	0
Total	15	15	23	54

NOTES:

1. Numbers within parenthesis () denotes second dwellings. These units are counted toward Moderate Income RHNA goals based on survey data obtained in connection with the 2004 Housing Element.
2. Numbers within brackets [] denotes multiple family dwellings. These units are counted toward Moderate Income RHNA goals based on housing cost modeling and rent survey data obtained in connection with the 2004 Housing Element.
3. Numbers within arrows < > denotes number of units for which housing fees were paid in-lieu of constructing affordable units on-site as part of the project.
4. Income breakdown for Oak Springs Specific Plan, Vintage Walk and Buellton Community Homes corresponds to conditions of approval imposed in connection with land use entitlements.